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From : Ministry of External Affairs

Re : 18

To : The Department of State

July 18, 1957

Ref : CERP Section D; Items 13-4, 13-5, 13-6; Annex

Subject: German Economic and Commercial Investigation in the Pakistan Market  
A British Analysis

401-213

The United Kingdom Trade Commission to Karachi has just completed an extensive survey of the extent of German economic activity in the Pakistan market during the period July 1952-December 1955. The report contains a history of the competitive position of the German market in the principal industries, the entry of German commodities, details of German participation in local industry, and a short summary. In addition are given, much of the information contained in the report, the results of individual face interviews with British businessmen in the market.

The reporting officer was silent as to the scope of this report which is forwarded in its entirety as he considered the compilation of this study was confidential, however, on the understanding of the client (being "Confidential"). In this connection, question was raised as to what could not be given or shown to United Kingdom business contacts. The head of Trade in light of its obvious and direct interest in the market. The reporting officer was informed, however, that many of the conclusions reached were in a general article on the Pakistan market in a British business magazine, Trade Journal. Accordingly, it is believed that certain parts of the report in this report might be regarded as essentially unclassified in a general sense.

UNCLASSIFIED

In past years much of the German success in the Pakistan market has been due to lower prices, charter delivery rates, the offer of cash and payment terms, willingness to participate in local industry, and, most importantly, aggressive and imaginative salesmanship. From the United Kingdom point of view, German competition now is entering a new stage with prices and delivery schedules no longer creating such difficulties as German order books have become relatively full while the market for cut prices has disappeared as German manufacturer have gained a foothold in the country. Also, the Government of Pakistan no longer is favorably disposed toward long deferral payment, unchanged. With regard to the market opened by the Germans in the result of participation in local enterprises, it is obvious that the extent of United Kingdom participation is substantially reduced.

These things being as they are, it is apparent that the other dimension that United Kingdom will have to consider is the compilation of their salesmanship, which often includes the use of frequent and intensive selling tours by technically trained salesmen, the offer to take firm commitments, plus the arrangement of joint sales agencies of German manufacturers to make available greater service and more local service, including the provision of technicians. In the market, the initial period have long been established in this area and, in consequence, United Kingdom manufacturers have an

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continued history of local movements and conditions.

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